

# WAR OVER THE WHALES

From "The Times"

While the painful dispute between Great Britain and Iceland, over their respective rights of trawling for the herring fishes of the breakfast table, drags on and on, a partly similar quarrel which has been boiling up for some time in the South Pacific has suddenly and melodramatically exploded. Tempers in more tropical latitudes are hotter, the guns have gone off, and prisoners have been taken. Although the advocates in the two cases have taken rather different legal points, they are all discussing one fundamental issue: who owns the sea, and how much of it?

These two are by no means the only cases in which this question has been raised internationally since the war. In 1951, for instance, the Permanent Court of International Justice at The Hague adjudicated upon an appeal of Great Britain to the extension of the limits of the seas over which Norway claimed sovereignty. This case concerned what are called territorial waters, the fringe along the shore which has traditionally been allowed to the sovereignty of every maritime State, and generally agreed to be three miles wide. A more difficult issue was raised when certain States in the Persian Gulf, eager to prospect for oil under the sea, claimed sovereignty over the so-called "continental shelf," that band of gently sloping ground which everywhere extends for a greater or less distance under water before the eventual steep plunge into the ocean depths. Certain Australian proclamations, based upon a somewhat similar fiction, had already led for the protection of the pearl fisheries, have been challenged by Japan. In this case now awaiting determination at the Hague.

The recent claim in 1952 of three South American republics in concert to sovereignty over their contiguous seas to a distance of no less than 200 nautical miles from shore can only be founded upon an assumption about the continental shelf. But it is most unlikely that it would ever have been advanced if the shelf doctrine had not been in the legal air. None of the greater powers has conceded the claim, and none, therefore, is bound by it, and several, including Great Britain, have protested against it. It has been left to no Government but to a private adventurer to challenge the claimants' sovereignty to make good their case. Early in September the ships of MR. ANASTOLE SOCRATES ONASSIS put defiantly to sea—twelve whalers and a factory ship. Few men can have more right to raise a nice point of international law. Mr. ONASSIS, who is of Greek blood, is an Argentine subject. His

whaling ships were manned by Germans with a few Norwegian harpooners; and they sail under the flag of Panama, a State which has not accepted its three neighbours' objections concerning the extent of their sovereignty over blue waters. Whether this flag is the *original* of the freedom of the seas, as Mr. ONASSIS maintains, or is indistinguishable from the Jolly Roger, which is the Peruvian view, depends at the moment on whose eye is set to the telescope. But Peru has sent out her navy, with air support, and naturally the heavy armament has won the immediate victory—whether by the warning shot of their own *monique* or the "bombardment" of MR. ONASSIS is scarcely material.

This, it may be hoped, is the beginning and the end of active operations, and it now remains to transfer the dispute to the judgment of a competent tribunal—whether the Security Council, which has

a *prima facie* concern with any threat to peace, or The Hague Court, to which the Council could scarcely fail to refer the technical argument. Mr. ONASSIS, of course, has no standing before either tribunal, for international law knows only States, not individuals; but presumably the Government of Panama, which has already protested to Peru, will defend the rights of its flag. Great Britain has a great, perhaps the greatest, interest in the widest freedom of the high seas in time of peace. The most recent international attempt to deal with the underlying issue is probably that contained in the "Draft Articles on the Continental Shelf and Related Subjects" adopted by the International Law Commission, an organ of the United Nations.

The regulation of *sedentary* fisheries may be undertaken by a State in areas of the high seas contiguous to its territorial waters, where such fisheries have long been maintained and conducted by nationals of that State, provided that non-nationals are permitted to participate in the fishing activities on an equal footing with nationals. Such regulation will, however, not affect the general status of the areas as high seas.

This excellent definition of the ideal, however, has not yet acquired the status of international law.

By Joachim Joesten

A fierce clash of national as well as private interests has been in progress for some time in the oil-rich desert kingdom of Saudi Arabia. The stakes are high. They include a \$700 million American investment, which is now seriously endangered by a threat of ultimate expropriation.

Principal protagonists in the bizarre, multilateral conflict are:

- The new King of Saudi Arabia and two of his brothers, both cabinet ministers.
- The Arabian American Oil Co. (Aramco).
- German industrialists in the Ruhr industry.
- The wealthy international shipping operator, Aristotle Socrates Onassis.

In the background looms the bitter feud between Israel and the Arab League, which is being further envenomed by lingering Nazi influences in the Near East.

#### How It Started

The story—which has many elements of a real life "foreign intrigue" thriller—begins one year ago.

Old King Ibn Saud, one of the last and most colorful of feudal despots, was lying near death in his sumptuous summer palace at Taif, near Mecca. For more than half a century, the fierce, one-eyed warrior had ruled his arid realm with an iron hand, but now his strength was ebbing.

Crippled by arthritis and suffering from a heart disease, the Arab King was beset by serious financial troubles.

At the time the most powerful man in Saudi Arabia, outside of the royal family, was the Minister of Economy and Finance, Sheikh Abdullah Sulaiman, who had been keeper of the royal purse for over 30 years. Ibn Saud had good reason to be grateful to the man for it was he who in 1933-1936 had played a leading role in negotiating the profitable Aramco contract.

#### Fund-Raising Mission

Early on October, 1953, Sheikh Sulaiman, at the head of an 18-man delegation, departed on a fund-raising mission to Western Germany. Second most prominent member of his party was Sheikh Mohamed Abdullah Ali Reza, who at the time was president of the Saudi Arabian Chamber of Commerce. This man has since been officially identified in the preamble to the famous Jiddah agreement of January 20, 1954 as "representative of A. S. Onassis." Most significantly, he is now Minister of Commerce.

The Sulaiman mission spent several weeks in Germany, visiting Bonn, Berlin, Hamburg, Duesseldorf and Essen, among other cities. The Germans leaned over backward to accommodate the visitors from Arabia. They were lodged in the swankiest hotel suites and showered with luxuries. The Arabs repaid their hosts with ornate compliments.

"I thank merciful God that He allowed me to watch this spectacle," the 69-year-old Sheikh Sulaiman exclaimed as he stood gazing at the industrial beehive of the Oberhausen steel plant in the Ruhr. The party also visited the nearby Krupp works and famed Villa Huegel, residence of the Krupp family.

Shortly after the delegation returned home, King Ibn Saud died on November 9, 1953. He was succeeded by his eldest son, King Saud. The new monarch took several of his brothers into his cabinet, in particular



Desert King Saud.



Ship King Onassis.

Prince Faisal, who became Foreign Minister, and Prince Sultan, who was made Minister of Agriculture.

In the following months, a number of remarkable events happened in quick succession. A steady stream of German engineers and technicians began pouring into Saudi Arabia. By midsummer of this year the brand-new German colony ranked second in numbers only to the long-established American group, centered on the Aramco-operated oil fields.

Two of the most important German concerns who were called in by the new regime were Siemens & Halske of Berlin, who got a \$2 million order for telephone installations and "Govenco," a firm of consulting engineers specially formed for this purpose by two big West German contractors (Hansa-Stahl of Duesseldorf and Julius Berger, Wiesbaden).

Early this year, "Govenco" moved into Saudi Arabia with 160 engineers and technicians, who set up a big planning office at Jiddah, under a contract signed January 1, 1954, with the new government.

#### Enter Onassis

Less than three weeks later, the oil transport monopoly pact between King Saud (represented by Sheikh Sulaiman) and A. S. Onassis was signed. Onassis, it should be remembered in this respect, has close economic ties with Germany through his shipbuilding and whaling activities.

Between these two deals King Saud gave a strong hint of his future policies with a virulent speech at Riyadh, in which he assailed Israel as a "cancer" that must be "uprooted." And a few months later Saud sent the American Economic Mission home. There were strong indications that the help to Israel was the dominant motive.

Meanwhile, it looked as though the Germans were going to take over Saudi Arabia lock, stock and barrel. But then a curious incident occurred that upset carefully laid plans.

Two of "Govenco's" chief executives, Henrich Starke, managing director, and his assistant, Kurt Banse, quarreled. The latter, fired from a \$1,000-a-month job, took vengeance by whispering a long story of bribes and kickbacks into Foreign Minister Prince Faisal's ears.

According to Banse, the German firm had secured its juicy contract with the royal government by paying plenty of graft money to a young man named Mohamed Ali Musly, who happened to be the son of the top official under the Minister of Economics and Finance.

The government controller appointed by Sheikh Sulaiman to supervise "Govenco's" operations was also getting a fat commission on all contracts approved by him. Banse charged.

#### Probe Launched

Outraged, King Saud named a committee of investigation headed by Prince Sultan, the Minister of Agriculture. Early last August, the Saudi police cracked down on "Govenco." The doors of its central office were nailed up with boards, and all mail, incoming as well as outgoing, was seized.

For seven weeks, the entire staff of the German firm were held in custody, their passports having been withdrawn by the police. Herr Starke and other members of the firm were grilled in what one German newspaper described as "highly Oriental fashion."

Sheikh Sulaiman suddenly resigned for reasons of health and has not been heard of since.

The men were finally permitted to leave the country, early in October, after United States Ambassador George Wadsworth also had interceded for them.

Last week the picture was further complicated by an allegation by a Greek claiming to have been an agent of Mr. Onassis' that Commerce Minister Ali Reza had been in the Onassis camp because of payment of a million-dollar bribe, to be divided among several palace officials.

The Saudi Arabia contract with Mr. Onassis still stands, of course, and therein lies another tale. There are several discriminatory clauses, such as the one barring Jews from Onassis-controlled companies, and a pledge not to trade with Israel.

But the real story behind the contract is more shocking: Young King Saud obviously is clearing the decks for eventual expropriation of the American oil companies' \$700 million investment in Saudi Arabia.

Aramco's contract, still has 30 years to go, but the pace at which Saudi Arabia is moving indicates little hope that the company will last that long. The Saudi Arabian Maritime Tankers Co., which Mr. Onassis is setting up, will be more than a shipping firm. It will train a Saudi Arabian merchant marine.

As soon as King Saud thinks his own crews and tankers are ready, the world can look for a new expropriation move a la Mossadegh in Iran. The new Saudi Arabian monarch has profited from Mr. Mossadegh's mistakes.

When King Saud is ready for his big move, he'll have the technical help he needs to keep the Saudi oilfields going.

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